

Message Text

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R 101423Z AUG 78
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TO SECSTATE WASHDC 8397
INFO AMEMBASSY BONN
AMCONSUL HONG KONG
AMEMBASSY LONDON
AMEMBASSY MOSCOW
AMEMBASSY PARIS
AMEMBASSY ROME
AMEMBASSY TRIPOLI
USMISSION USNATO
USDOCOSOUTH NAPLES IT
USLO PEKING

C O N F I D E N T I A L SECTION 01 OF 02 VALLETTA 02586

E.O. 11652: GDS
TAGS: PINT, MT, CH
SUBJECT: PRC VICE-PREMIER KENG PIAO IN MALTA

REF: VALLETTA 2318 (DTG 251027Z JUL 78 NOTAL)

1. SUMMARY: PRC VICE-PREMIER KENG PIAO, ACCOMPANIED BY A
LARGE DELEGATION, VISITED MALTA FOR FIVE DAYS STARTING
JULY 29. ALTHOUGH HE MET WITH PRIME MINISTER MINTOFF
FOUR TIMES, NO COMMUNIQUE WAS ISSUED NOR WERE ANY AGREE-
MENTS SIGNED. KENG PIAO WAS GENEROUS WITH HIS PUBLIC
PRAISE FOR THE GOM'S PROPOSED NEUTRALITY POLICY. THE GOM
REPORTEDLY DID NOT ASK FOR MORE ECONOMIC AID BUT DID
REQUEST AN INCREASE IN TRADE. MINTOFF COMPLAINED ABOUT
THE LACK OF EUROPEAN RESPONSE TO HIS REQUESTS FOR BUDGET
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SUBSIDIES. THE VICE-PREMIER WARNED THE GOM ABOUT THE
DANGERS OF BECOMING INVOLVED WITH THE RUSSIANS AND
OFFICIALS OF THE PRC EMBASSY HAVE SUBSEQUENTLY RAISED
EUROPEAN FINANCIAL HELP FOR MALTA WITH VARIOUS WESTERN
EMBASSIES HERE PRESUMABLY BECAUSE THEY BELIEVE EUROPEAN
HELP WILL REDUCE ANY INCLINATION ON MINTOFF'S PART TO GO
TO THE RUSSIANS FOR ASSISTANCE. END SUMMARY.

2. KENG PIAO, VICE-PREMIER OF THE STATE COUNCIL OF THE PRC, PAID AN OFFICIAL VISIT TO MALTA FROM JULY 29 THROUGH AUGUST 2. HE WAS ACCOMPANIED BY HIS WIFE; MR. WU CHING-TUNG, HEAD OF THE GENERAL OFFICE OF THE STATE COUNCIL; MISS WANG HAI-JUNG, VICE-MINISTER OF FOREIGN AFFAIRS; MR. SUNG CHIH-KUANG, ASSISTANT MINISTER OF FOREIGN AFFAIRS AND OTHER SENIOR OFFICIALS.

3. BILLED AS AN OPPORTUNITY TO HOLD TALKS AND EXCHANGE VIEWS ON WAYS TO FURTHER DEVELOP FRIENDLY RELATIONS AND MUTUAL COOPERATION AS WELL AS DISCUSS "ISSUES OF COMMON CONCERN" KENG PIAO MET THREE TIMES SUBSTANTIVELY AND ONCE MORE SOCIALLY WITH PRIME MINISTER MINTOFF (AN UNUSUALLY LARGE NUMBER OF MEETINGS FOR A FOREIGN VISITOR), CALLED ON OTHER SENIOR GOM OFFICIALS, ATTENDED SEVERAL OFFICIAL FUNCTIONS AND TOURED POINTS OF INTEREST IN MALTA AND GOZO. FOR A MAN OF 69, HE WAS KEPT VERY BUSY.

4. NO OFFICIAL COMMUNIQUE WAS ISSUED NOR WERE ANY AGREEMENTS SIGNED. IN HIS MAJOR PUBLIC PRONOUNCEMENT MADE DURING PRESIDENT BUTTIGIEG'S BANQUET IN HIS HONOR, KENG PIAO LAUDED THE MALTESE PEOPLE FOR THEIR "GLORIOUS TRADITION OF RESISTING FOREIGN AGGRESSION" AND, "UNDER THE LEADERSHIP OF PRIME MINISTER MINTOFF", FOR THEIR "GRATIFYING SUCCESSES" IN SAFEGUARDING THEIR INDEPENDENCE

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AND DEVELOPING THEIR ECONOMY. IN INTERNATIONAL AFFAIRS, KENG PIAO SPOKE APPROVINGLY OF THE GOM'S INDEPENDENT AND NON-ALIGNED FOREIGN POLICY, OPPOSITION TO SUPERPOWER HEGEMONISM, SUPPORT FOR NATIONAL LIBERATION MOVEMENTS AND THE "JUST STRUGGLE OF THE ARAB PEOPLE", AND THE IMPORTANCE THE GOM ATTACHES TO DEVELOPING RELATIONS WITH "MEDITERRANEAN AND OTHER" COUNTRIES. HE PARTICULARLY PRAISED THE GOM FOR ITS "CONCERN ABOUT THE SECURITY OF THE MEDITERRANEAN REGION" AND FOR REMAINING "ON GUARD AGAINST THE RIVALRY AND EXPANSION OF THE SUPERPOWERS IN THIS REGION".

5. THE CHINESE GOVERNMENT AND PEOPLE, ACCORDING TO KENG PIAO, HAVE "FIRMLY SUPPORTED" THE "JUST STAND" MALTA TAKES INTERNATIONALLY AND FRIENDLY RELATIONS AND COOPERATION BETWEEN CHINA AND MALTA HAVE "DEVELOPED STEADILY". FURTHERMORE, THERE ARE "BROAD PROSPECTS" FOR THE FURTHER DEVELOPMENT OF FRIENDLY SINO-MALTESE RELATIONS.

6. RESPONDING TO BUTTIGIEG'S THANKS FOR CHINESE ECONOMIC AID, KENG PIAO SAID THAT CHINA'S ASSISTANCE TO MALTA "IS INSIGNIFICANT", THAT "WHAT'S MORE IMPORTANT" IS THAT

ASSISTANCE HAS ALWAYS BEEN MUTUAL, AND THAT THE CHINESE "ARE MOST GRATEFUL" TO THE GOM FOR ITS "SUPPORT TO CHINA INTERNATIONALLY".

7. KENG PIAO CLOSED WITH A FEW WELL-CHOSEN WORDS CONCERNING THE EVILS OF THE "HEGEMONISM OF THE SUPERPOWERS"; HE EMPHASIZED CHINA'S REJECTION OF EVER SEEKING "HEGEMONY" OR ACTING "LIKE A SUPERPOWER", AND UNDERLINED CHINA'S "CONSISTENTLY HELD" BELIEF THAT "THE AFFAIRS OF THE MEDITERRANEAN REGION SHOULD BE MANAGED BY THE COUNTRIES AND PEOPLE IN THE REGION AND MUST NOT BE SUBJECTED TO SUPERPOWER DICTATES OR MONOPOLY".

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8. LOCAL VIEWS ON THE SIGNIFICANCE OF KENG PIAO'S VISIT FOLLOWED PREDICTABLE LINES. THE PRO-LABOR MALTA NEWS TOUTED PIAO'S VISIT AS AN IMPORTANT EVENT WHICH SYMBOLIZED THE FRIENDSHIP AND COOPERATION BETWEEN THE TWO COUNTRIES. IT CLAIMED THAT THESE EXCELLENT RELATIONS WERE A DIRECT RESULT OF MINTOFF'S POLICY TOWARD THE PRC, AND NOTED THAT EVEN THE NATIONALISTS NOW SEEMED TO AGREE WITH THE GOM'S CHINA POLICY AS ITS LEADERS WERE CURRENTLY VISITING THE

PRC. THE PRO-NATIONALIST TIMES OF MALTA WAS MORE CAUTIOUS ABOUT PIAO'S VISIT AND ABOUT MALTA'S IMPROVED RELATIONS WITH CHINA BEING A RESULT OF MINTOFF'S POLICY, POINTING OUT THAT PIAO'S VISIT MAY HAVE BEEN ARRANGED TO "BALANCE" THE NP LEADERSHIP VISIT TO THE PRC AND THAT CHINA'S AID WAS, AS KENG PIAO HAD SAID, IN RETURN FOR CONFIDENTIAL

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THE GOM'S "SUPPORT" FOR CHINA INTERNATIONALLY. THE TIMES ALSO SPECULATED THAT THE PRC'S INTEREST IN MAPA WAS RELATED TO ITS GENERAL CONCERN ABOUT RUSSIAN MILITARY HEEMONY AND CLAIMED THAT CHINA'S PRIMARY GOAL WAS TO

RESTRICT SOVIET INFLUENCE "WHICH COULD FIND ITS WAY TO MALTA THROUGH LIBYAN AND ALGERIAN INFLUENCE". THE SUNDAY TIMES ALSO ADDED A FEW HARSH WORDS ABOUT THE PRC'S BRAND OF COMMUNISM, RECALLING THE HUMAN COST ASSOCIATED WITH ITS ESTABLISHMENT AND ASSERTING THAT ITS "ULTIMATE GOAL" IS TO SPREAD COMMUNISM, PEKING STYLE, THROUGHOUT THE WORLD.

9. THE NUMBER TWO AT THE CHINESE EMBASSY HERE, KE LIN-HSING, IN AN AUGUST 9 CONVERSATION WITH THE DCM CHARACTERIZED KENG PIAO'S VISIT AS "VERY SUCCESSFUL" AND VERIFIED THAT NO AGREEMENTS HAD BEEN SIGNED. HE ALSO STATED THAT THE MALTESE HAD NOT ASKED FOR ANY FURTHER ECONOMIC ASSISTANCE (THE GOM STILL HAS AROUND L 10 MILLION STERLING LEFT FROM THE 1972 PRC LOAN), ALTHOUGH THEY DID ASK FOR AN INCREASE IN TRADE AND FOR THE CHINESE TO ORDER ANOTHER COASTER FROM THE DRYDOCKS. (THE PRC HAS ALREADY ORDERED TWO COASTERS, ONE OF WHICH IS NEAR COMPLETION AND THE SECOND UNDER CONSTRUCTION). KE SAID THAT KENG PIAO PROMISED TO EXAMINE THIS REQUEST. (SEVERAL SOURCES HAVE MENTIONED THAT MINTOFF WEIGHED IN HEAVILY ON THE NEED FOR CHINESE ORDERS FOR THE DRYDOCKS, STRENGTHENING A GROWING IMPRESSION HERE THAT THE HEALTH OF THE MALTA DRYDOCKS IS NOT AS GOOD AS CLAIMED PUBLICLY.) MINTOFF ALSO COMPLAINED TO THE CHINESE ABOUT THE EUROPEANS' NEGATIVE ATTITUDE ON FINANCIAL ASSISTANCE (BUDGET SUBSIDIES) AND KE STRESSED TO THE DCM THE PRC'S VIEW THAT THE EUROPEANS SHOULD MEET MINTOFF'S DEMANDS BECAUSE MALTA CONFIDENTIAL

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CLEARLY NEEDED BUDGET SUBSIDIES TO HELP ADJUST TO THE LOSS OF RENT FROM THE BRITISH BASE AFTER IT IS CLOSED. IF THE EUROPEANS DON'T HELP OUT, SAID KE, THE RUSSIANS MIGHT

FIND AN OPENING HERE. KE ALSO SAID THE VICE PREMIER CAREFULLY EXPLAINED THE DANGERS OF ASSOCIATING WITH THE RUSSIANS TO THE MALTESE FROM THE PERSPECTIVE OF A NATION WHICH HAD "SUFFERED BITTERLY" FROM THE POLICIES OF THE USSR.

10. COMMENT: KE'S RENDITION OF MINTOFF'S MEETINGS WITH KENG PIAO IS PROBABLY ACCURATE AS FAR AS IT GOES. BUT WE ARE A LITTLE INTRIGUED AS TO WHY IT SHOULD HAVE TAKEN THREE SEPARATE SUBSTANTIVE MEETINGS TO COVER THE TOPICS DISCUSSED, OF WHICH ONE WAS UNSCHEDULED AND LASTED, ACCORDING TO PRESS REPORTS, UNTIL AFTER MIDNIGHT. BUT THEN MINTOFF CAN GO ON AT GREAT LENGTH ABOUT THE INDIFFERENCE OF THE EUROPEANS WHILE THE CHINESE ARE CERTAINLY AVID RELATORS OF RUSSIAN PERFIDIOUSNESS. THE CHINESE ARE CLEARLY CONCERNED ABOUT THE LACK OF PROGRESS ON THE EUROPEAN SIDE OF THE FINANCIAL ASPECTS OF THE DIALOGUE; IN ADDITION KE MENTIONING THIS MATTER TO THE DCM, THE CHINESE AMBASSADOR RAISED IT WITH THE GERMAN AMBASSADOR AND KE WITH THE ITALIAN NUMBER TWO HERE AFTER KENG PIAO'S DEPARTURE.

11. MINTOFF WAS UNDOUBTEDLY PLEASED TO HAVE A SENIOR PRC OFFICIAL VISIT MALTA, SOMETHING HE HAS BEEN SEEKING FOR SOME TIME. THUS FAR NEITHER HE NOR THE GOM HAS COMMENTED ON HIS DISCUSSIONS WITH KENG PIAO, HOWEVER, PERHAPS IN PART BECAUSE HE LEFT ON VACATION IMMEDIATELY AFTER KENG PIAO'S DEPARTURE. LAINGEN

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